- I. Last week Elbricht purged three leading members of the regime (party number two man Earl Schirdewan, party theoretician Fred Oelssner, and former security chief Ernst Wollweber: none under arrest).
 - A. Purge climaxed long dispute between Wibricht, who favors hard Stalinist line, and group of top-ranking party members who 25X1 wanted regime to follow more moderate policies.

II.

- A. Opposition metivated by:
 - 1. Realization that Wibricht's oppressive policies would only lead to increased unrest and offered no solution to East Germany's economic ills and
 - 2. Wibricht's arrogant and high-handed behavior.
- B. Wibricht will probably extend purge as he moves to enforce him policies.
- C. He is now free to bring economy more directly under state control and speed up production.
- III. Effect will be to create atmosphere conductive to strikes, disorders.
 - A. Disturbances equalling 1953's uprising not expected.
 - B. Efforts will probably be made to halt refugee flow, including restrictions on entry to Berlin, probably not to extent of seriously jeopardising Western position in Berlin.

25X1

- IV. Wibricht's mandate to impose Stalinist policies reflects Kremlin's fear that relaxation in this Westernmost Satellite would lead to disaster.
 - A. Seviets fear revolt in East Germany more than in any other Satellite.
 - B. Strong factor motivating USSR's German policy is continuing state of unrest in Eastern Europe.
 - C. Finally, Wibricht's continuation of hard-line policies further illustrates rigidity of Kremlin's position on German issue.
 - 1. Soviet policy is obviously to maintain status quo by whatever means necessary.

25X1